

**COMMISSIONER TOVAR FRIENDLY AMENDMENT TO COMMISSIONER
MÁRQUEZ PETERSON PROPOSED AMENDMENT NO. 5**

DATE PREPARED: February 23, 2023

COMPANY: ARIZONA PUBLIC SERVICE COMPANY

DOCKET NO.: E-01345A-22-0143

OPEN MEETING DATE: February 22, 2023

Purpose: To have APS reissue a Request for Proposal for this program that allows for proposals that consist solely of demand response, and that address all the inadequacies/insufficiencies discussed in the LBNL report.

Page 5, Line 25: INSERT Following New Findings of Fact –

“While we agree with Staff that APS’s DDSR Aggregation Tariff, as filed by APS, should not be approved, we do not believe that Staff’s further recommendation that APS should continue to evaluate and collect additional data, along with considering information provided by Berkeley Lab in order for APS to possibly refile its tariff, goes far enough or is specific enough.

Based on the fact that APS’s DDSR proposal was not what we had expected or hoped for, we will require APS to issue a new RFP for its DDSR Aggregation Tariff and will require APS to meet specific requirements (which will be listed below so that it is as clear as possible to APS what we are expecting) when issuing this new RFP and evaluating responses to it.

APS shall allow entities to submit proposals that consist of solely demand response, solely energy storage, a combination of both demand response and energy storage, or any other form of cost-effective distributed demand-side resources that an entity believes would meet the requirements the Commission is desiring for this program. The RFP shall be written in such a way that it is technology neutral, i.e., *allows for any and all cost-effective distributed demand-side resources* to bid into this program.

From our reading of the Berkeley Lab’s analysis of APS’s filing in this case, it seems that Berkeley Lab believes that APS’s RFP was not written in such a way that allowed for the most cost-effective distributed demand-side resources to bid into this program and that APS’s evaluation of the bids that were received was conducted in such a way that it did not consider all the benefits provided or that could have been provided. Therefore, we will require APS to consult with Berkeley Lab in developing this new RFP. In addition, we will require APS to consult with Berkeley Lab when evaluating the responses to this new RFP in order to eliminate all the concerns outlined by Berkeley Lab in its September 16, 2022 report, entitled “Review of APS’s Benefit-Cost Analysis: Proposed Tariff for Distributed Demand-Side Resources Aggregation.”

**** Make all conforming changes**

THIS AMENDMENT:	
_____ Passed _____	Passed as amended by _____
_____ Failed _____	Not Offered _____

Withdrawn
ACC - Docket Control - Received 2/23/2023 11:42 AM
ACC - Docket Control - Docketed 2/23/2023 11:52 AM

Page 6, Line 9: INSERT Following New Ordering Paragraphs –

“IT IS FURTHER ORDERED that Arizona Public Service Company shall issue a new Request for Proposal for its Distributed Demand-Side Resources Aggregation Tariff.

IT IS FURTHER ORDERED that Arizona Public Service Company shall consult with Lawrence Berkeley National Laboratory when writing the new Request for Proposal to ensure that it allows for any and all cost-effective distributed demand-side resources to bid into this program.

IT IS FURTHER ORDERED that Arizona Public Service Company shall allow entities to submit proposals to this Request for Proposal that consist of solely demand response, solely energy storage, a combination of both demand response and energy storage, or any other form of cost-effective distributed demand-side resources.

IT IS FURTHER ORDERED that Arizona Public Service Company shall consult with Lawrence Berkeley National Laboratory when evaluating the responses to this new Request for Proposal in order to eliminate all the concerns outlined by Berkely Lab’s in its September 16, 2022 report, entitled “Review of APS’s Benefit-Cost Analysis: Proposed Tariff for Distributed Demand-Side Resources Aggregation”

IT IS FURTHER ORDERED that Arizona Public Service Company shall not shift any of the costs caused solely by the Distributed Demand-Side Resources Aggregation Tariff to other customers.

IT IS FURTHER ORDERED that Arizona Public Service Company shall submit a revised Distributed Demand-Side Resources Aggregation Tariff by no later than May 3, 2023.”

**** Make all conforming changes**

THIS AMENDMENT:		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____